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Hearing Date: January 28, 2009, at 10:00 a.m  
Objection Date: January 23, 2009, at 4:00 p.m

*Attorneys for Wells Fargo Bank, N.A.  
and Wells Fargo & Co.*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re	:	Chapter 11 Case No.
	:	
LEHMAN BROTHERS HOLDINGS INC., <i>et al.</i>	:	08-13555 (JMP)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----X		

**LIMITED OBJECTION OF WELLS FARGO BANK, N.A. AND  
WELLS FARGO & CO. TO THE MOTION OF THE DEBTORS  
FOR AN ORDER APPROVING CONSENSUAL ASSUMPTION  
AND ASSIGNMENT OF PREPETITION DERIVATIVE CONTRACTS**

Wells Fargo Bank, N.A. and Wells Fargo & Co. (together, “Wells Fargo”), by their undersigned attorneys, for their Limited Objection (the “Limited Objection”) to the Debtors’ motion for an order approving consensual assumption and assignment of prepetition derivative contracts (the “Derivatives Motion”), dated January 16, 2009, respectfully state as follows:

1. Debtor Lehman Brothers Special Financing Inc. (“LBSFI”) is a party to (i) an ISDA Master Agreement with Wells Fargo Bank, N.A. dated August 30, 1999; and (ii) a separate ISDA Master Agreement with Wells Fargo & Co. dated May 27, 1998 (the “LBSFI Swap Agreements”).

2. Debtor Lehman Brothers Finance S.A. ("LBFSA") is a party to an ISDA Master Agreement with Wells Fargo & Co. dated February 19, 2003 (the "LBFSA Swap Agreement" and together with the LBSFI Swap Agreements, the "Swap Agreements"). Lehman Brothers Holdings Inc. ("LBHI") guaranteed the obligations of LBSFI and LBFS A under the Swap Agreements.

3. On September 15, 2008, LBHI filed its petition for relief under chapter 11 of the Bankruptcy Code. The filing by LBHI of its chapter 11 case on September 15, 2008 constituted an Event of Default (as such term is defined in the Swap Agreements).

4. On September 15, 2008, Wells Fargo & Co. and Wells Fargo Bank N.A. each sent LBSFI a notice of termination (together, the "LBSFI Termination Notices") for their respective LBSFI Swap Agreement, designating September 15, 2008 as the Early Termination Date (as defined in the Swap Agreements). The LBSFI Termination Notices are annexed hereto as Exhibit A.

5. On September 15, 2008, Wells Fargo & Co. sent LBFS A a notice of termination (the "LBFSA Termination Notice") for the LBFS A Swap Agreement, notifying LBFS A that an Automatic Early Termination (as defined in the LBFS A Swap Agreement) had occurred and that based on such Automatic Early Termination, an Early Termination Date occurred as of September 15, 2008. The LBSFA Termination Notice is annexed hereto as Exhibit B.

6. Paragraph 7 of the Derivatives Motion states that approximately 18,000 derivative contracts with the Debtors have not been terminated by the counterparties to such contracts. By the Derivatives Motion, the Debtors seek "prospective authorization to assume and assign such contracts upon compliance with a protocol (the "Committee Protocol") to be established by the Debtors and the Committee." *See* Derivatives Motion, at 4.

7. Wells Fargo is filing this Limited Objection to confirm that the Swap Agreements were previously terminated effective as of September 15, 2008, and to clarify that given that the proposed Committee Protocol is directed only to those Derivative Contracts (as defined in the Derivatives Motion) that have not been terminated, the proposed Committee Protocol does not apply to the Swap Agreements because they were terminated effective as of September 15, 2008.

WHEREFORE, Wells Fargo respectfully requests that (i) any order granted by the Court with respect to the Derivatives Motion expressly provide that the Swap Agreements were terminated effective as of September 15, 2008 and (ii) the Court grant Wells Fargo such other and further relief as this Court deems just and proper.

Dated: January 23, 2009  
New York, New York

KAYE SCHOLER LLP

/s/ Lauren Attard

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